

Volunteer Quality Alert 2005-05 – Form W-2 Wage and Tax Statement

You may use this document as a job aid when assisting taxpayers who have certain benefits or adjustments.

Form W-2 - Box 1 and 2 – What's Next?

General Rule: Forms W-2 are full of information about the income and benefits, both taxable and non-taxable, received by taxpayers. The income statements contain a great deal more than just Box 1 – Taxable Income and Box 2 – Federal Tax Withholding.

Challenge: Use the income statements in combination with the intake sheet and a strong interview as you prepare returns. Every entry on Form W-2 is critical in completing an accurate return.

When preparing a tax return electronically – **KEY WHAT YOU SEE!**

When preparing a paper return – **CONSIDER EVERY W-2 ENTRY!**

a Control number 458		22222		OMB No. 1545-0008	
b Employer identification number 58-0000000		1 Wages, tips, other compensation 20,000.00		2 Federal income tax withheld \$2,150.00	
c Employer's name, address, and ZIP code ABC Minit Mart 111 Main Anytown, USA 30444		3 Social security wages \$21,522.00		4 Social security tax withheld \$1,240.00	
		5 Medicare wages and tips \$21,522.00		6 Medicare tax withheld \$290.00	
		7 Social security tips		8 Allocated tips	
d Employee's social security number 123-45-6789		9 Advance EIC payment \$730.00		10 Dependent care benefits \$1,000.00	
e Employee's first name and initial Last name Doe, Mary Jane 123 Main Anytown, USA 30444		11 Nonqualified plans		12a Code D \$522.00	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc. \$21,522.00	17 State income tax \$385.00	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

Advance EIC Payment: When using e-file, this amount will automatically fill in on line 60 of Form 1040 or line 37 of Form 1040A. If preparing a paper return, remember to include the amount of the **Advance EIC Payment**.

Dependent Care Benefits: When using e-file, an amount in this box will automatically complete Page 2 of **Form 2441, Child and Dependent Care Expenses**. If preparing a paper return, remember to calculate.

Box 12 Code & Amount: When using e-file, an amount in this box with code D and G will automatically generate a **Form 8880, Credit for Qualified Retirement Savings Contributions**, if the taxpayer meets the age and income requirements. If preparing a paper return, you must calculate the **Form 8880**.

Training refresher, Volunteers can refer to:

- Publication 678, The Volunteer Assistor's Guide/Student Text, Lesson 3, Income, or
- Publication 1155, Instructor's Guide, Lesson 3, Income, or
- Publication 4012, Volunteer Resource Guide, or
- Publication 17, Your Federal Income Tax, Part 2, Chapter 6, or call
- The VITA Hotline at 1-800-829-8482.